



CORPORATE SOCIAL RESPONSIBILITY AND CORPORATE FOUNDATIONS IN BUILDING RESPONSIBLE BRANDS

Responsabilidad social de las empresas y fundaciones empresariales en la construcción de marcas responsables



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Abstract

This article analyzes corporate brand management in companies that enforce a policy of corporate social responsibility (CSR) while also operating a corporate foundation that shares the same company name and brand. The study aimed to (1) define and analyze the presence of the corporate foundation and assess the alignment between brand and foundation in the context of corporate brand identity; and to (2) investigate brand manager perspectives on how corporate foundations promote the social dimensions of the brand and of a company's corporate identity and culture. The corporate identity of 18 multinational companies and their corresponding foundations was investigated, and 8 prominent brand managers were interviewed.

Keywords

CSR; Corporate brand; Corporate philanthropy; Brand management; Responsible brand.

Resumen

Se analiza la gestión de marca corporativa en las empresas que hacen cumplir una política de responsabilidad social corporativa (RSC), al tiempo que también opera una fundación corporativa que comparte el mismo nombre de la empresa y la marca. El estudio tuvo como objetivo (1) definir y analizar la presencia de la fundación corporativa y evaluar la alineación entre la marca y la fundación en el contexto de la identidad de marca corporativa; y (2) investigar las perspectivas de los gestores de marca sobre cómo las fundaciones empresariales promueven las dimensiones sociales de la marca y de la identidad y la cultura corporativa de una empresa. Se investigó la identidad corporativa de 18 empresas multinacionales y sus bases correspondientes, y se entrevistó a 8 destacados gestores de marca.

Palabras clave

RSC; Marcas corporativas; Filantropía corporativa; Gestión de la marca; Marcas responsables.

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1. Introduction

The relationship among corporate brand, corporate foundation, and corporate social responsibility (CSR) is poorly understood, largely because the three concepts have rarely been analyzed together. Most academic studies have focused on the association of CSR with brand (Middlemiss, 2003; Palazzo; Basu, 2007; Van-de-Ven, 2008; Polonsky; Jevons, 2009; Kujala; Penttilä; Tuominen, 2011; Illia *et al.*, 2013), corporate foundations, or philanthropy (Porter; Kramer, 2002; Varcoe; Sloane, 2003; Herlin; Pedersen, 2013). In addition, within corporations the brand, CSR, and corporate foundation may also be disconnected and managed by different departments. As a result, these three parts of the organization may have misaligned or overlapping objectives, overwhelming stakeholders with multiple messages and brand experiences. This poses a significant problem because consumers increasingly take into account the perceived social dimensions of a brand (Sen; Bhattacharya, 2001; Bhattacharya; Sen, 2004; Kujala; Penttilä; Tuominen, 2011; Tsai *et al.*, 2014). This study examines how corporate brand managers can develop socially responsible brands by working in synergy with a corporate foundation. The study focuses on pairs of companies and foundations with the same name.

Corporate social responsibility (CSR) involves a commitment to developing a responsible brand and disseminating it to stakeholders

ucts and services (Ind, 1997) and to engender a sense of differentiation and belonging in stakeholders (Hatch; Schultz, 2003, 2008). CSR naturally aligns with the corporate brand because social responsibility is a transversal imperative that integrates a company's economic, legal, ethical, and philanthropic expectations (Carroll, 1979).

Numerous companies have sought to cultivate a coherent responsible brand by creating corporate foundations that work in tandem with the parent company

A CSR-aligned corporate brand is known by several names in the literature, including responsible brand (Kujala; Penttilä; Tuominen, 2011), CSR brand (Polonsky; Jevons, 2009; Lindgreen *et al.*, 2012), and ethical brand (Fan, 2005; Story; Hess, 2010; Singh; Iglesias; Batista-Foguet, 2012). A responsible brand reflects a company's ethical expectations as part of its commitment to stakeholders (Kujala; Penttilä; Tuominen, 2011) and highlights CSR as an attribute that positions and differentiates the company. In effect, a responsible brand projects strength to stakeholders by virtue of the quality of its ethical and social values (Villagra; López, 2013). Once CSR becomes an integral part of a brand, corporate activity and brand promise can be effectively aligned to create credibility and trust (Vallaster; Lindgreen; Maon, 2012). In fact, given this situation, transparent CSR communication can foster dialogue with stakeholders, promoting mutual trust and shared values between them and the company (Chaudhri; Wang, 2007; Aceituno-Aceituno *et al.*, 2013).

Over the last decade, numerous companies have sought to cultivate a coherent responsible brand by creating corporate foundations that work in tandem with the parent company. The fundamental idea is that the philanthropic and socially driven activities of the foundation support and extend the firm's CSR commitment (Herlin; Pedersen, 2013).

Corporate foundations

"are philanthropic organizations that are created and financially supported by a corporation. The foundation is created as a separate legal entity from the corporation, but with close ties to the corporation" (Council of Foundation, n.d.).

Many foundations carry the same name as the parent company—AT&T Foundation, Barclays Foundation, and Burberry Foundation—as a clear expression of their goal of aligning with the company's commitment to CSR (Westhues; Einwiller, 2006).

In short, if a company wants to be identified as a responsible brand it is necessary to create a three-way synergy of brand,

2. Responsible brands and corporate foundations

Implementation of CSR usually has four objectives: (1) to contribute to society through ethically correct attitudes, (2) to bring together the social expectations of the company, (3) to manage responsibly the power and influence of a company in society, and (4) to pursue goals that bring long-term benefits to the company and society (Garriga; Melé, 2004). CSR involves a commitment to developing a responsible brand and disseminating it to stakeholders through appropriate actions and corporate communication (Balmer; Fukukawa; Gray, 2007; Aceituno-Aceituno *et al.*, 2013).

CSR is linked to the overall corporate brand rather than to individual product brands (Maio, 2003). Corporate branding is more comprehensive than commercial branding, which emerges primarily from specific product lines (Ind, 1997). Indeed the corporate brand unites the various traits of organizational identity—vision, mission, values, communication, culture, design (Keller, 2000; Balmer; Gray, 2003)—in order to give value to the company's entire range of prod-

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CSR, and foundation that maximizes the advantages and minimizes the disadvantages.

2.1. Advantages of corporate foundations in creating responsible brands

1. As a CSR tool, a foundation can support responsible communication and dialogue with stakeholders (Westhues; Einwiller, 2006). This is the case with numerous companies that have created new foundations expressly as a complement to internal CSR activities or that have aligned existing foundations with their corporate strategy (*The Smart Company*, 2007). According to a survey of 129 foundations in Colombia which shows a range of relationships between CSR and corporate foundations (*Promigas Foundation; DIS Foundation*, 2012), in more than half of cases the foundation directs one or more components of the company's CSR strategy, and an additional 20% are in charge of the entire strategy.

“Often both the company and its foundation will engage in activities that flow from the same social compromise but are uncoordinated”

Foundations can operate with their own budgets and receive external donations, allowing them to make firm and lasting commitments to the social programs for which they were created (Westhues; Einwiller, 2006). In contrast, in-house corporate sustainability programs are often subject to corporate performance thresholds in order to ensure their acceptability to shareholders and corporate leadership. Foundations, by virtue of their distance from the profit-making company, can also provide a more appropriate home for social responsibility activities. If the company is too closely linked too intimately with the company's profit-making activities, they may be perceived by interest groups as utilitarian measures designed primarily to increase revenues (Ellen; Webb; Mohr, 2006; Van-de-Ven, 2008; Du; Bhattacharya; Sen, 2010). Thus, a company may choose to create an affiliated foundation to provide greater credibility to its CSR programs (Menon; Kahn, 2003).

2. Just as CSR can improve a company's image and reputation (Fan, 2005; Fombrun, 1996; Mababu-Mukiur, 2010; Morsing; Schultz; Nielsen, 2008; Villagra; López, 2013), so too can the operations of a corporate foundation, which complement the company's own CSR activities. Indeed, this study analyzes companies and foundations with the same name, fusing them together under the same brand. This kind of synergy between brand and foundation can create associations and visibility. In fact, prior research has suggested that corporate giving may be viewed as a manifestation of corporate reputation (Yoo; Pae, 2016). Additionally, performing CSR under the corporate foundation structure has a high impact on corporate reputation (Askeroğlu; Bahar, 2014).

3. A corporate foundation can also support the relationship of the company to stakeholders (Herlin; Pedersen, 2013). These stakeholders include employees as well as clients,

service providers, and the broader community. A corporate foundation even allows the company to improve its relationship with stakeholders that it could not reach otherwise, including audiences who benefit from the services provided by the corporate foundation, but who have never purchased the company's products or services (Westhues; Einwiller, 2006). In this way, the foundation mediates dialogue between the brand and interest groups (Pedrini; Minciullo, 2010) in terms highly focused on the company's CSR rather than in marketing or propaganda terms (Illia et al., 2010). What is more, stakeholders may view foundations more neutrally and objectively than they perceive the company (Kramer; Pfitzer; Karin, 2006).

2.2. Disadvantages of corporate foundations in creating responsible brands

1. Creating a corporate foundation can pose organizational disadvantages to the CSR strategy (Westhues; Einwiller, 2006), since foundation activities may conflict with the objectives of CSR managers or promises made by the brand. Often both the company and its foundation will engage in activities that flow from the same social compromise but are uncoordinated. This lack of coordination between foundation and CSR initiatives can create internal conflict because different units are engaging in nearly the same activity with potentially different competency and objectives.

In addition, the foundation formulates short- and long-term objectives, to some extent, independently of the parent company (Westhues; Einwiller, 2006). Foundation's objectives are usually specified at the time of its founding, and any subsequent changes require modifying statutes. This highlights the need to set a corporate foundation's objectives based on a clear vision of what a company, its brand, and its CSR commitments are.

“Excessive corporate communications about CSR activities can induce the so-called boomerang effect, in which audiences interpret the communications as an attempt to hide negative activities or as a marketing ploy”

2. Creating a separate foundation to implement CSR can create risk for the corporate brand. Brand managers are keenly aware of the double-edged sword of CSR (Polonsky; Jevons, 2009; Villagra, 2009; Villagra; López, 2013): while committing to CSR brings numerous advantages, broadcasting this commitment too loudly opens up the brand to criticism (Ashforth; Gibbs, 1990; Morsing, 2005; Morsing; Schultz, 2006), and may increase stakeholders' skepticism (Jahdi; Acikdilli, 2009; Du; Bhattacharya; Sen, 2010; Waddock; Goggins, 2011).

Excessive corporate communications about CSR activities can induce the so-called boomerang effect (Schlegelmilch; Pollach, 2005), in which audiences interpret the communications as an attempt to hide negative activities (Brown; Dacin, 1997) or as a marketing ploy (Jahdi; Acikdilli, 2009;

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Table 1. Advantages and disadvantages of corporate foundations in creating responsible brands

Perspective	Advantages	Disadvantages
CSR	<ul style="list-style-type: none"> Complement to, and professionalization of, CSR programs Greater financial independence Greater long-term orientation Objectivity, neutrality, transparency, and responsibility 	<ul style="list-style-type: none"> Conflicts of interest between departments Greater obligations/commitments in the long term Less dynamism
Corporate brand	<ul style="list-style-type: none"> Generates value, image, and reputation Generates brand exposure, brand associations, and brand experience Helps to retain talent 	<ul style="list-style-type: none"> Difficult collaboration between company brand managers and the foundation Requirement for low-profile communication Risk of attracting criticism and provoking a boomerang effect Minimal media impact
Relationship with stakeholders	<ul style="list-style-type: none"> Reaches target groups that otherwise would have no contact with the brand Provides an index of social needs Mediates between the parent company and community 	<ul style="list-style-type: none"> Lack of responsible brand positioning necessitates renouncing a relationship based on social commitment Increase in expectations can increase demands Requirement to maintain foundation promises Requirement to fulfill the prestige of the brand

Sources: **Aaker** and **Joachimsthaler** (2000); **Ashforth** and **Gibbs** (1990); **Du, Bhattacharya** and **Sen** (2010); **Fan** (2005); **Fombrun** (1996); **Hatch** and **Schultz** (2003); **Herlin** and **Pedersen** (2013); **Illia et al.** (2010); **Jahdi** and **Acikdilli** (2009); **Kramer, Pfitzer** and **Karin** (2006); **Mababu-Mukiur** (2010); **Menon** and **Kahn** (2003); **Morsing** and **Schultz** (2006); **Morsing, Schultz** and **Nielsen** (2008); **Pedrin** and **Minciullo** (2010); **Polonsky** and **Jevons** (2009); *Promigas Foundation* and *DIS Foundation* (2012); **Schlegelmilch** and **Pollach** (2005); *The Smart Company* (2007); **Van-de-Ven** (2008); **Villagra** and **López** (2013); **Waddock** and **Goggins** (2011); **Westhues** and **Einwiller** (2006); **Yoo** and **Pae** (2016).

Illia et al., 2010). This explains why most corporate foundations have relatively small public relations operations, and why their involvement with the media tends to stress the foundation activities much more than the foundation's name (brand) (**Westhues; Einwiller**, 2006). Indeed, many companies and corporate foundations communicate their CSR activities through low-key communications channels (**Schlegelmilch; Pollach**, 2005) and implicit rather than explicit communication (**Morsing; Schultz**, 2006). Optimizing the distribution of CSR activities between the corporate brand and the corporate foundation can help clarify which organization should communicate a brand's responsible attributes. In contrast, when corporate brands, on their own, communicate CSR as philanthropic responsibility, it may be perceived as a strategy based on benevolence and paternalism (**O'Connor; Shumate**, 2010).

3. Finally, creating a foundation to implement CSR can create problems for fostering a positive relationship between corporate identity and stakeholders. Rather than perceiving a corporate identity as based on responsible attributes, audiences may see it as based on insincere or ad hoc marketing tactics (**Illia et al.**, 2010). This situation is more likely to occur if the brand has been in its current responsible market position for a relatively short time, or if the brand does not enjoy a sufficient degree of transparency. Whatever the cause, such CSR backfire may require the company to renounce its social commitment as part of its corporate identity (**Aaker; Joachimsthaler**, 2000).

In this way, the foundation has two standards to live up to: those of the foundation's own professed objectives, and those of the corporate brand. In any case, the expectations of stakeholders for company CSR and for the activities of affiliated foundations can be high (**Schlegelmilch; Pollach**, 2005).

All these advantages and disadvantages that can arise from company-foundation interaction depend on a syner-

gy among brand, CSR, and foundation. To explore how this three-way relationship can be achieved, the present work examines several multinational firms in Spain with current CSR programs that are implemented to different degrees through an eponymous corporate foundation.

3. Methodology

In their seminal paper, **Pelozo and Shang** (2011) highlight the need of qualitative methods that complement the quantitative predominance in CSR research. Studies of corporate foundations have typically relied on qualitative methods and in-depth interviews (*Promigas Foundation; DIS Foundation*, 2012; **Varcoe; Sloane**, 2003) to analyze foundation activities and their impact on companies other than corporate brand management.

In this way, we selected a representative sample of company-foundation pairs from among firms listed on the IBEX 35 that have implemented CSR strategies and have created eponymous corporate foundations. The IBEX 35 is recognized nationally and internationally (**BME**, 2012) as an index of sector-leading companies. These companies are more likely to have the budget to invest in CSR and foundation development.

Once we had selected a sample of IBEX 35, which included all companies with CSR strategies and corporate foundations, for a total 18, we analyzed the alignment between the corporate brand and the foundation to understand to what extent the companies manage the foundation identity according to the corporate identity. Using the corporate websites or other websites identified through Internet search engines, we analyzed the following variables:

a. Visual identity. The logos of the foundation and corporate brand were compared in terms of typography, color, and symbolism (**Melewar; Saunders**, 2000). We also compared the websites of the company and the foundation in terms of navigation style, typography, and colors. We noted whether

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the two websites were mutually connected via hyperlinks.

b. Mission and objectives. The objectives of the foundation were compared with the corporate vision, mission, and values to check for coherence.

After this first phase to analyze alignment, we investigated the coherence among brand, CSR, and corporate foundation through in-depth interviews with eight brand managers chosen from within our entire sample (table 2). Interviewees were selected from companies showing a range of alignment levels, and anonymity was assured. These levels of alignment were divided into the following categories:

- 1) high alignment –all factors of a) and b) were related-;
- 2) medium alignment –one factor was not aligned-;
- 3) low alignment –two or more factors were not aligned-.

All interviews were recorded and transcribed for later analysis. Interviews were conducted from December 2012 to May 2013. Transcriptions and first round of analysis were carried out from June to December 2013. The second round of analysis concluded in February 2014.

The interviews were conducted using a semi-structured guide based on the extant literature to solicit information from the brand managers about:

- a) Impact of the social dimension of the company in the management of corporate brand;
- b) Assessment of the importance attached to the role of the corporate foundation in the departments of the brand and reputation;
- c) Consistency in managing brand identity in companies with a corporate foundation;

Table 2. Key characteristics of companies analyzed through in-depth interviews with brand managers

Company	Business sector	International presence	Range of alignment level
1	Banking	32 countries	High alignment Visual identity - logos: Yes - website - design: Yes - website - mutual hyperlinks: Yes Identity of vision, mission, and values: Yes
2	Raw materials, industry, construction	62 countries	Low alignment Visual identity - logos: Yes - website - design: Yes - website - mutual hyperlinks: No Identity of vision, mission, and values: No
3	Telecommunications	21 countries	High alignment Visual identity - logos: Yes - website - design: Yes - website - mutual hyperlinks: Yes Identity of vision, mission, and values: Yes
4	Banking	1 countries	Medium alignment Visual identity - logos: No - website - design: Yes - website - mutual hyperlinks: Yes
5	Energy	5 countries	High alignment Visual identity - logos: Yes - website - design: Yes - website - mutual hyperlinks: Yes Identity of vision, mission, and values: Yes
6	Raw materials, industry, construction	12 countries	Medium alignment Visual identity - logos: Yes - website - design: No - website - mutual hyperlinks: Yes Identity of vision, mission, and values: Yes
7	Petroleum	58 countries	High alignment Visual identity - logos: Yes - website - design: Yes - website - mutual hyperlinks: Yes Identity of vision, mission, and values: Yes
8	Banking	>10 countries	Low alignment Visual identity - logos: Yes - website - design: No - website - mutual hyperlinks: Yes Identity of vision, mission, and values: No

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Table 3. Main topics of in-depth interviews

1. Assessment of the importance attached to the role of the corporate foundation in the departments of the brand and reputation.
 - 1.1. Effect of corporate foundation in the CSR and brand strategy.
 - 1.2. Corporate foundation and synergies between departments.
 - 1.3. The future of corporate foundations.
2. Consistency in managing brand identity in companies with a corporate foundation.
 - 2.1. Steps in creating corporate brand identity.
 - 2.2. Corporate foundation in creating corporate brand identity.
 - 2.3. Best practices for improving relationships between corporate brand, CSR, and the corporate foundation.
3. Attribution of brand management to the corporate foundation as a strengthening mechanism of image and business reputation.
 - 3.1. Corporate foundations in corporate reputation metrics.
 - 3.2. Corporate communication and corporate foundation.
 - 3.3. Corporate foundation and internal communication.

d) Attribution of brand management to the corporate foundation as a strengthening mechanism of image and business reputation.

4. Results

4.1. Analysis of the presence of the corporate foundation in the Spanish business sector

Analysis of all 35 firms in the IBEX 35 showed that 18 (51%) maintain both CSR programs and eponymous foundations. In fact, some companies have created more than one corporate foundation. The 18 firms in our sample are linked to 22 eponymous foundations.

4.2. Alignment of corporate identity with foundation identity

Alignment between corporate identity and foundation identity was evaluated based on visual identity (logos, websites)

and identity of values, missions and objectives, as described in the Methodology section.

All 18 firms examined showed alignment on at least one dimension. Logos were aligned for 12 firms, website designs for 12 firms, and mutual hyperlinking between company and foundation websites for 17 firms. In addition, 11 firms have aligned foundational objectives with the vision and mission of the parent company. However, total alignment (coherence) was achieved by only 7 firms examined: *Abertis*, *BBVA*, *Caixabank*, *Iberdrola*, *Mapfre*, *Repsol*, and *Telefónica*.

Since there is no clear reason to align the corporate brand and corporate foundation only partially, we conducted in-depth interviews with leading brand managers to understand the possible causes. We selected 8 brand managers from the companies in our sample that showed a range of alignment levels based on visual identity and identity of values, missions, and objectives (see table 2).

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Company	Corporate foundation	Business sector
<i>Abengoa</i>	<i>Fundación Focus Abengoa</i>	Raw materials, industry, and construction
<i>Abertis</i>	<i>Fundación Abertis</i>	Highways and parking lots
<i>Acciona</i>	<i>Fundación Acciona Microenergía</i>	Raw materials, industry, and construction
<i>ACS</i>	<i>Fundación ACS</i>	Raw materials, industry, and construction
<i>Arcelormittal</i>	<i>Arcelormittal Foundation</i>	Raw materials, industry, and construction
<i>Banco Sabadell</i>	<i>Fundación Banco Sabadell</i>	Banking
<i>Bankinter</i>	<i>Fundación de la Innovación Bankinter</i>	Banking
<i>BBVA</i>	<i>Fundación BBVA</i>	Banking
<i>Caixabank</i>	<i>Obra Social La Caixa</i>	Banking
<i>Endesa</i>	<i>Fundación Endesa</i> <i>Fundación Sevillana Endesa</i> <i>Fundación Endesa Colombia</i>	Energy
<i>Gas Natural Fenosa</i>	<i>Fundación Gas Natural Fenosa</i>	Energy
<i>Grífols</i>	<i>Fundación Víctor Grífols i Lucas</i>	Biomedical equipment
<i>Iberdrola</i>	<i>Fundación Iberdrola</i>	Energy
<i>Mapfre</i>	<i>Fundación Mapfre</i>	Insurance
<i>Repsol</i>	<i>Fundación Repsol</i>	Petroleum
<i>Sacyr</i>	<i>Fundación Sacyr Vallehermoso</i>	Raw materials, industry, and construction
<i>Santander</i>	<i>Fundación Santander</i> <i>Fundación Santander Cultural Brasil</i> <i>Santander Foundation UK</i>	Banking
<i>Telefónica</i>	<i>Fundación Telefónica</i>	Telecommunications

4.3. Coordination of corporate brand, CSR, and corporate foundation

The interviews were designed to explore reasons for the relatively low rate of alignment between company and foundation identities in our sample. Therefore, we asked whether the three traditionally separate domains of corporate brand, CSR, and corporate foundation coordinate their actions in the interviewee's company to strengthen the corporate identity, and if so, how this is achieved.

Interviewee responses indicate that synergy among brand, CSR, and foundation is usually achieved through A) sustainability committees or B) an executive plan formulated by the foundation's board of trustees and/or the company board of directors.

A) Corporate foundations take part in sustainability committees because their activities support the social commitments of the company's CSR strategy. While including the corporate foundation on a sustainability committee can create coherence with the sustainability strategy of the company, it is ultimately the corporate brand that demands alignment among all the attributes of the organization and transmits that alignment to stakeholders. This suggests that the ability of sustainability committees to create coherence among brand, CSR, and the foundation depends on the prominence of the corporate brand in committee discussions.

This type of committee tends to align the corporate foundation along two dimensions. One is the corporate brand, which encodes the identity, image, and reputation of the parent company; the brand manager seeks to instill these attributes in the foundation and promote them. Another alignment dimension is the company's CSR program, which governs the activities of the sustainability committee and coordinates foundation programs to ensure that they adhere to the responsible commitment of the company. Brand managers from companies 1, 3, 4, 5, and 8 confirm that involving the brand directly in the activities of sustainability committees allows the brand to be *"aligned with the foundation in every activity that it undertakes [...] Synergy should be sought, so the alignment should be permanent"* (company 5).

On the other hand, companies can limit the decision-making power of the branding department to aspects of just visual branding: *"from the point of view of branding and brand strategy [for the foundation], we [brand managers] contribute nearly nothing, though of course we contribute design, naming, and that sort of thing"* (company 7). As another interviewee said, *"questions about corporate image and image promotion are becoming irrelevant for the foundation. They were only slightly important initially because the foundation needed a name and an image"* (company 6). This distancing is a double-edged sword: *"the independence guarantees your ability to communicate [to stakeholders] and provides a safeguard [...] that [the foundation's] motives are not as suspect as those of others, but it also makes forging a shared global strategy difficult"* (company 7).

B) In this case, the foundation's board of trustees or the

company's board of directors unilaterally decide foundation strategy; no committees are involved. The goal is to keep the foundation separate and independent from the company's business operations and, therefore, its brand and CSR strategies. In other words, the foundation and company share the same name yet act independently. Setting up an eponymous foundation and then distancing it from the heart of the company seems counterproductive. A more logical approach would be either to create a foundation with a different name from the corporate brand or not create one at all, and instead participate actively in the third sector through CSR programs or philanthropy.

“There is a need to develop strategies for integrating the foundation and the brand, especially since no consensus model exists”

4.4. Contribution by CSR and the corporate foundation to the company

Brand managers interviewed from companies 2, 3, 6, and 8 stated that CSR creates a positive reputation, legitimizes the company's vision and mission, and promotes attitudes of commitment. They indicated that CSR in their company is developed through

- 1) strengthening of corporate identity and culture through measures designed to increase employee commitment to the responsible values of the brand; and
- 2) the activities of a corporate foundation that works for the benefit of society and shares some attributes of the brand.

As this second comment reflects, many brand managers see the corporate foundation as an extension of CSR, yet many foundations develop their brand differently from the way the company does. Brand managers interviewed hold that the foundation represents the company's commitment to society and that it differs from the company's CSR program. As one interviewee noted, *"the foundation engages in social action, while the company engages in CSR [...] Everything that is cultural or social ... is handled by the foundation"* (company 5). Another interviewee was even more detailed: *"the foundation is a social theme, it's entirely about social commitment, while the CSR goes much further; it can cover other areas"* (company 4).

Seven of the eight interviewees signaled that the foundation, in addition to creating dialogue with society, influences company employees by showing them the values of the organization and of the brand. Employees are encouraged to participate in foundation activities, such as courses, exhibitions, lectures, volunteering, and scholarships.

The overwhelming majority of brand managers interviewed indicated that the corporate foundation is a way to relate to external stakeholders (society) and internal ones (employees). It is one more tool for cultivating a responsible corporate identity. Inevitably, then, the foundation influences the brand.

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4.5. Communication of the corporate foundation

Achieving brand alignment among company, CSR, and foundation is one thing; getting stakeholders to recognize this alignment is something else. This is where corporate communication becomes important. Most brand managers interviewed said that their corporate foundations generally maintain a high internal profile but a low external profile (internal communication was cited eight times while terms like advertising or social media was mentioned just 3 and 2 times respectively). The managers promote internal communication because they feel that news about the foundation and its activities can satisfy employee interests that go beyond simple economic and financial information. In fact, most brand managers interviewed feel that a high level of internal communication can create a bridge between the company and society via the employees.

“The foundation should not be treated as just one more company brand or as just one component of CSR, but rather as a subdivision of the corporate brand or a social corporate brand”

Conversely, external communication about the foundation is minimal in order to avoid commercializing social responsibility. As one interviewee noted, “communication is carried out solely or primarily with those groups affected by [foundation] programs in a very directed way, [though] there may be the occasional, one-off [informational] campaign” (company 3). Foundation activities are promoted in targeted channels: on-line social networks, media relations and one-on-one relationships. In effect, brand managers seek to promote interpersonal messages or “word of mouth” as a way to influence key audiences who can disseminate the social commitment of the brand outside traditional media channels, avoiding skepticism, the boomerang effect, and suspicions about cover-ups or whitewashing of company reality.

These strategies aim to generate free publicity that boosts the brand reputation through the foundation. As one interviewee noted, “either you tell the story or others will tell it for you. Communication is clearly easier if others tell it because there’s greater credibility” (company 5). Thus brand managers strive to get employees or other key individuals to tell a story that breeds credibility and trust. For this goal, mass media are entirely unsuitable.

All brand managers interviewed indicated that they regard the foundation as part of the company’s CSR efforts. Its activities can contribute to company performance on ethical or social action indicators that are typically included in CSR rankings or sustainability control panels. As one interviewee commented, “sustainability forms an integral part of the business model; it is not a separate entity supported by a foundation” (company 8).

Although only two brand managers said it explicitly, a majority of them noted that the main problem they confront in managing the company-foundation relationship is reconciling the non-profit and for-profit dimensions of the brand.

As one brand manager put it, this means “maintaining a balance so that [the foundation] doesn’t go far afield and fail to generate an image and positive reputation [for the company] ... but you also can’t keep it so close that people think there’s a commercial interest behind it” (company 3).

5. Conclusions, limitations, and future research

Taken together, these considerations –based on analysis and observation– indicate the need to develop strategies for integrating the foundation and the brand, especially since no consensus model exists.

Companies can create foundations carrying the same corporate brand and embodying the same corporate identity. This involves projecting the social values of the company to the foundation. In this way, the brand and the foundation can share name, visual attributes, and corporate identity through a relationship between corporate vision and foundation objectives. This is analogous to the relationship between different brands of a company that, despite having different names, share core elements of the corporate identity.

This situation implies that the corporate foundation is perceived as one more brand of the company. However, this brand does not represent a particular product or service, but rather a corporate value, generally social values. Therefore, the foundation should not be treated as just one more company brand or as just one component of CSR, but rather as a subdivision of the corporate brand or a social corporate brand. This approach is compatible with the separation between non-profit and for-profit dimensions of the brand, since the foundation can still be managed independently of the company.

CSR involves a transversal department of the company with good relationships with all the company’s stakeholders. At the same time, foundation activities complement CSR efforts within the company, so CSR strategy and foundation strategy should be coherent if the company means to fulfill its CSR commitments. For this reason, CSR managers should also form part of the foundation’s board of trustees and have a voice in defining the foundation’s activities.

Brand management should involve ensuring that (1) CSR and the foundation work in synergy, such that foundation goals align with the corporate vision; (2) the foundation’s visual attributes are coherent with those of the company; and (3) foundation activities reinforce the brand. Aligning the foundation fully with CSR and the brand does not mean instrumentalizing the foundation; rather, it means that every decision approved by the sustainability committee should be vetted by brand managers, who will check that it aligns with the corporate identity and the brand.

Future studies should increase the sample and expand the in-depth interviews to managers of brands, CSR, and foundations in other countries.

The results of our analysis suggest several lines of investigation:

- Investigate further the positioning of the foundation in corporate branding strategy. It would be appropriate to

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analyze the relationship of the foundation, as a social corporate brand, to the product brands in an organization.

- Research the role of the foundation in corporate brand building from the perspective of stakeholders or interest groups.
- Analyze foundation communications and examine how it strengthens or weakens the brand rhetoric about corporate values.

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